

## Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 EB-07 INT-05 CIAE-00 INR-07 NSAE-00

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R 011200Z MAR 75

FM AMEMBASSY DAKAR

TO SECSTATE WASHDC 0085

USDOC WASHDC

UNCLAS DAKAR 1290

E.O. 11652: N/A

TAGS: EMIV, EINV, SG

SUBJ: US STEEL INVESTMENT IN PHOSPHATE EXPLORATION  
IN SENEGAL

DEPARTMENT PLEASE PASS INTERIOR FOR STOWASSER

1. US STEEL HAS JOINED WITH GOS AND LOCAL PRIVATE FIRMS TO LAUNCH PHOSPHATE EXPLORATION EFFORT IN NORTHERN, EASTERN, AND SOUTHERN SENEGAL. SHARES OF FOUR PARTNERS IN EXPLORATION EFFORT ARE AS FOLLOWS: US STEEL 35 PERCENT, PHOSPHATES DE THIES (LOCAL PHOSPHATE FIRM), 35 PERCENT, BUREAU DE RECHERCHES GEOLOGIQUES ET MINIERES (BRGM) 20 PERCENT, AND GOS 10 PERCENT. TOTAL INITIAL INVESTMENT IN EFFORT TO BE 100 MILLION CFA (\$475,000) SO US STEEL COMMITTING NEARLY \$150,000 TO THIS EFFORT.

2. BRGM'S DAKAR OFFICE WILL UNDERTAKE DRILLINGS AND OTHER RESEARCH WHICH SHOULD LAST THROUGH END OF 1975 ACCORDING MR FOUCHER, DIRECTOR OF THIES PHOSPHATE COMPANY. EXPLORATION EFFORTS WILL BE IN AREAS OF SENEGAL WHICH HAVE NOT PREVIOUSLY BEEN THOROUGHLY PROSPECTED ALTHOUGH INDICATIONS ARE FAVORABLE. EXPLORATION WILL TAKE PLACE AROUND LAC DE GUIERS IN NORTHERN SENEGAL, IN AREAS ALONG SENEGAL RIVER ESPECIALLY NEAR BAKEL AND MATAM, AND IN SOUTHER SENEGAL. EXISTING PHOSPHATE MINES LOCATED NEAR CITY OF THIES, AT TAIBA (CALCIUM PHOSPHATE) AND LAM-LAM (ALUMINIUM  
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PHOSPHATE). US STEEL WILL TAKE NO DIRECT PARTICIPATION

IN EXPLORATION EFFORT BUT AS INVESTOR WOULD SHARE IN RESULTS OBTAINED. BRGM WILL CONDUCT EXPLORATION WORK ON CONTRACT FROM JOINT VENTURE GROUP.

3. SHOULD EXPLORATION WORK PROVE SUCCESSFUL, NEXT STEP WOULD BE CREATION OF JOINT VENTURE COMPANY TO EXPLOIT DEPOSITS. GOS HAS ANNOUNCED IT WILL TAKE 51 PERCENT INTEREST IN ANY NEW PHOSPHATE OPERATIONS AND US STEEL AND OTHER INVESTORS IN EXPLORATION GROUP WOULD GET FIRST OPPORTUNITY TO JOIN AS PARTNERS AND OPERATORS.

4. AREAS TO BE EXPLORED ARE FAR FROM CURRENTLY EXPLOITED DEPOSITS AND FROM PORT AND RAILROAD FACILITIES. WOULD THUS REQUIRE CONSIDERABLE INFRASTRUCTURE INVESTMENTS PRIOR TO ACTUAL EXPLOITATION.

5. US STEEL MAN MOST DIRECTLY INVOLVED IN PROJECT IS ENRIQUE J. ARTEAGA OF INTERNATIONAL DEPARTMENT, BASED IN US STEEL'S MADRID OFFICE.

AGGREY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPLOITATION (NATURAL RESOURCES), PHOSPHATES, FOREIGN INVESTMENTS  
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